



ACTION MEMORANDUM

S/S

September 20, 1977

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To: The Secretary
Through: The Deputy Secretary
From: T - Lucy Wilson Benson *WBS*

Argentine Arms Transfers

Issue for Decision

Whether to continue your policy of approving or disapproving arms transfers to Argentina on a case-by-case basis, or to institute an embargo on all government-to-government (FMS) transfers to that country.

Background

Pursuant to your decision on 25 July to review arms transfer proposals for Argentina on a case-by-case basis there is attached a memorandum from Les Gelb, cleared by all appropriate bureaus except D/HA, recommending your approval of a number of commercial and FMS equipment and ammunition sales.

D/HA, in a separate dissenting memorandum to you, designates Argentina's military government as "a gross violator of human rights" and recommends an embargo of all FMS cases.

I do not agree with the D/HA position for the following reasons:

-- The continuance of selected sales to Argentina has been considered by Congress in the FY 1978 Security Assistance legislation, and approved for the time being. The Administration argued against an embargo before the Congress and there are no new facts to warrant a change in our position;

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GDS

Department of State, A/GIS/IPS/SRP

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-- We have terminated all U.S. financing for Argentine acquisitions of military equipment, and have refused to sell some items for cash, on the basis that they might be used against civilians. These restrictions adequately demonstrate our commitment to improve human rights;

-- The specific actions required to give effect to section 502B of the Foreign Assistance Act, referred to by D/HA, are not determined by any rigid, mechanistic formula. You have the discretion to decide on a case-by-case basis whether further restrictions on security assistance would be in our national interest;

-- We have other, important interests in Argentina in addition to our interest in human rights, notably maintaining Argentine cooperation in our nuclear non-proliferation efforts;

-- The FMS embargo proposed by D/HA will indeed maintain "pressure" on the Argentine Government as D/HA argues, but whether such pressure will improve the human rights situation or further any of our other Argentine interests is open to question. The exact reverse is an equally likely outcome. An embargo is strong medicine -- if applied to Argentina, why not others? Consistency may be the hobgoblin of small minds, but there will be strong domestic political pressure to be even-handed.

Recommendation

I believe that your original case-by-case decision was sound. Therefore, I support the approach contained in the attached PM memorandum.

Attachments: 1 - PM Memorandum on Argentine Arms Transfers
S.S. #7723639
2 - D/HA Memorandum on Argentine Arms Transfers
S.S. #7723730

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